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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

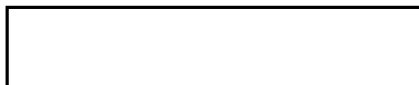
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PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events 23 October - 5 November 1959

Soviet specialists have completed the design of a coal-dressing plant of 2-million-ton capacity to be built for the Indian government. This plant is one of five projects included in the Soviet credit of \$126 million offered to India in November 1956.

It is reported that Soviet petroleum equipment now in use in India is performing poorly and that Soviet drilling and testing techniques leave much to be desired.

Burma has formally canceled all Soviet projects not actually under construction. Projects abandoned include a theater, a cultural and sports complex, a permanent agricultural and industrial exhibit, and a conference hall.

There has been a marked increase in Bloc economic activity in Ethiopia since Emperor Haile Selassie's visit to the USSR and Czechoslovakia in July 1959.

Two Soviet experts will arrive in Ghana before the end of 1959 to investigate the possibility of establishing a steel industry in that country.

Soviet activity in the armed forces of Afghanistan is increasing sharply. Forty-three Soviet officers have been assigned to the third- and fourth-year classes of the Afghan Military Academy, and it is reported that Soviet officers will take over all instruction in technical services, armor, and artillery in the Academy. Moreover, 140 Afghan officers are now attending 3-month courses in various Soviet service schools.

The USSR has announced that its trade with underdeveloped countries of the Free World in 1958 amounted to \$968 million, an increase

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of 15 percent above the level of 1957 (\$843 million). The 15-percent increase is considerably less than that of any previous year since the beginning of the Soviet economic offensive in underdeveloped areas. Although there are substantial differences between Soviet trade statistics and trade as reported by Western sources, the general trends appear to be similar.

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